

## Amendments to State Unemployment Insurance Laws

U.S. DEPARTMENT OF LABOR  
Employment and Training Administration  
Washington, D.C. 20210

### REPORT ON STATE LEGISLATION

REPORT NO. 5  
March 2007

**ALABAMA**            HB 12a            ENACTED and EFFECTIVE August 5, 2005  
                              (CH 4)

#### Financing

Amends state law to include SUTA dumping prevention provisions which:

mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;  
prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes;  
provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and establish procedures to identify the transfer or acquisition of a business for purposes of the law.

**GEORGIA**            HB 520            ENACTED and EFFECTIVE May 10, 2005  
                              (CH 8)

#### Financing

Extends from December 31, 2005 to December 31, 2011 the end of the period in which new/newly covered employers pay contributions at a rate of 2.62% of wages.

Extends from December 31, 2005 to December 31, 2011 the current structure for determining increases in each employer's tax rate.

Extends from December 31, 2005 to December 31, 2011 the end of the period in which there will be a 0.08% administrative assessment.

Amends state law to include SUTA dumping prevention provisions which:

mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;

prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes; provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and establish procedures to identify the transfer or acquisition of a business for purposes of the law.

#### Monetary Eligibility

The formula for calculating a claimant's weekly benefit amount (WBA) is changed from the wages in the two highest quarters in the base period divided by 46 to the wages in the two highest quarters in the base period divided by 44. The alternative calculation for claimant's failing to meet the 150% of the high quarter requirement changed from high quarter wages divided by 23 to high quarter wages divided by 22.

Modifies the computation of the minimum WBA to result in no WBA being established for less than \$42 beginning July 1, 2005. Increases the maximum WBA to \$310 effective July 1, 2005, and \$320 effective July 1, 2006.

#### Nonmonetary Eligibility

Modifies the disqualification provision regarding discharge because of absenteeism.

### **PENNSYLVANIA**

SB 464  
(TITLE 43)

ENACTED June 15, 2005  
EFFECTIVE June 15, 2005  
except as otherwise indicated

#### Administration

Removed the provision that employers and employees could not be charged by the department, the Board or any of its officers or agents.

Removed limitation of fees counsel/agents can charge.

Provides that any party in any proceeding before the Department, the Board, or a referee may be represented by an attorney or other representative.

Provides that if on June 25th of the year, there is in excess of \$200,000 in the Special Administrative Fund, the excess is to be transferred to the state's book account within the Unemployment Trust Fund or the newly created Job Training Fund. Previously the entire amount had to be transferred to the state's book account.

Establishes the Job Training Fund and provides for its management and use.

Provides for several new civil and monetary penalties

#### Coverage

Effective July 1, 2005, individuals or entities that transfer some or all of their workforce to Professional Employer Organizations (PEOs) are to be considered employers for unemployment insurance purposes.

## Financing

Effective January 1, 2006, an employer's contribution rate is calculated at 3% plus the appropriate reserve ratio factor.

Effective July 1, 2005, state law is amended to include SUTA dumping prevention provisions which:

- mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;
- prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes;
- provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and
- establish procedures to identify the transfer or acquisition of a business for purposes of the law.

Effective January 1, 2006, the interest rate for unpaid contributions is set at the greater of one-twelfth of the annual rate determined by the Secretary of Revenue, or 0.75% per month or fraction of a month.

Clarifies when legal actions may occur regarding collection of contributions.

Requires employers to register within thirty days after services are first performed for the person or entity.

**PUERTO RICO**

PC 1577

ENACTED September 16, 2005  
EFFECTIVE July 1, 2005

## Financing

Amends commonwealth law to include SUTA dumping prevention provisions which:

- mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;
- prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes;
- provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and
- establish procedures to identify the transfer or acquisition of a business for purposes of the law.

**TENNESSEE**

SB 2285

ENACTED June 7, 2005

(CH 50)

EFFECTIVE January 1, 2006

Financing

Amends state law to include SUTA dumping prevention provisions which:

mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;

prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes;

provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and establish procedures to identify the transfer or acquisition of a business for purposes of the law.

**VIRGIN ISLANDS**

26-0126  
(CH 12)

ENACTED and EFFECTIVE October 17, 2005

Financing

Amends Virgin Islands Code law to include SUTA dumping prevention provisions which:

mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;

prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes;

provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and establish procedures to identify the transfer or acquisition of a business for purposes of the law.

**WEST VIRGINIA**

HB 405  
(CH 21A)

ENACTED September 28, 2005  
EFFECTIVE 90 days after September 11, 2005

Coverage

Amends state law to exclude from the definition of employment wages earned by an elected official, if the amount of remuneration received during a calendar year is less than \$1,000.

Financing

Amends state law to include SUTA dumping prevention provisions which:

mandate transfer of experience from one employer to another when there is substantially common ownership, management, or control; apply to both total and partial transfers;

prohibit transfer of experience if a person becomes an employer by acquiring an existing business and if the purpose of the acquisition is to obtain a lower contribution rate; apply to persons, who prior to the acquisition of the business, (a) had no employees and (b) had some employees but not enough to be an employer for state law purposes;

provide meaningful civil and criminal penalties for knowingly violating or attempting to violate the law's requirements, and for knowingly advising to violate the law; and establish procedures to identify the transfer or acquisition of a business for purposes of the law.